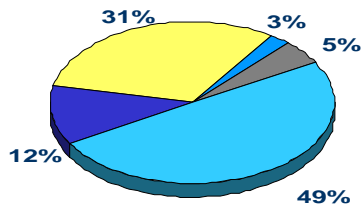
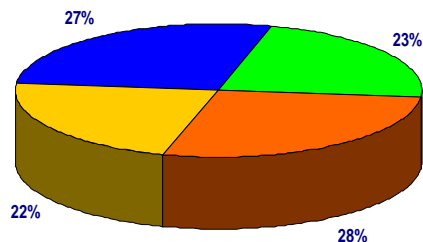
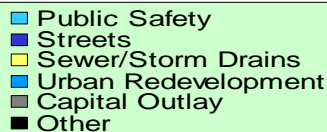
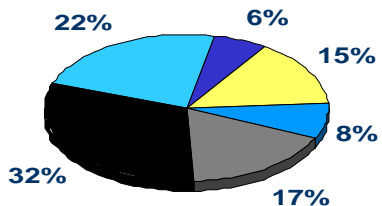




Where Does the Money Come From?



Where Does the Money Go?



City of Belmont Budget Brief FY 2005

Message From the City Manager

Honorable Mayor and Members of the Council:

Please accept for your review and consideration the Proposed Fiscal Year 2005 Budget.

Summary

The Proposed Budget has been developed in two parts: a Base Budget, and a Budget Correction Strategy. The Base Budget, which occupies the largest portion of the budget binder, was developed assuming no significant changes to the service levels and revenues contained in the current (FY 2004) year budget, aside from "normal" cost increases and revenue adjustments. However, the Base Budget—if adopted as presented—results in a significant decline in fund balance, with the decline accelerating in future years. Accordingly, and as described at the Mid-Year Budget Review, staff has developed a Budget Correction Strategy (or, rather, a series of individual strategies) to bring the General Fund back into balance for the foreseeable future; the total amount of the Budget Correction Strategy is \$1.48 million.

Even the Base Budget is strained, in that departments were instructed to budget for minimal increases in supplies and services even though there are cost increases; the only exceptions were for unavoidable costs (e.g., utility rates) or for costs outside the City's control (e.g., dues). In the area of personnel, costs continue to increase for PERS and health insurance, and for contractual salary increases. In real terms, then, the Base Budget represents reductions throughout. However, the Base Budget does include the same staffing levels, and would provide for approximately the same level of services, as does the FY 2004 Budget.

Message From the City Manager (continued)

The problem occurs in that the Base Budget, when projected forward, results in deficits every year. The Base Budget includes the revenue takeaways included in the Governor's proposed State Budget. Together with continued weakness in City revenues, these takeaways contribute to an immediate budget deficit. The problem becomes especially acute in FY 2006, when significant cost increases are projected.

In order to meet the City Council's policy of a minimum \$2 million reserve, it is necessary to adopt a budget correction strategy. The proposed Strategy will result in a noticeable reduction of some services, and includes the elimination of funding for six full-time and four regular part-time positions, as well as some staffing reorganizations. However, the Strategy also restores balance to the City financial picture, and positions the City well for the future.

Base Budget

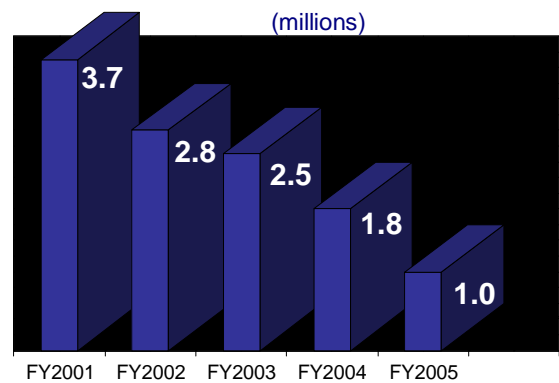
The Base Budget occupies most of the budget binder, and contains the details on all revenues and expenditures for the City of Belmont and related agencies.

• Revenues

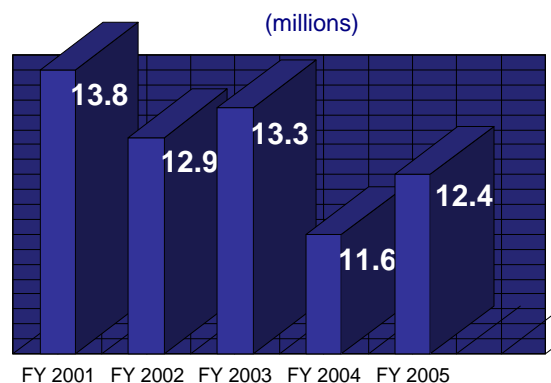
Base Budget General Fund revenues are estimated at \$12.4 million, up \$0.8 million from FY 2004. The major share of increased revenue is in property tax and vehicle license fees receipts, which are expected to increase by \$197 thousand and \$658 thousand, respectively. All other revenues will, in the aggregate, decline by \$182 thousand. General Fund revenues support basic City services including police, public works, parks & recreation and general government operations. Of the General Fund revenues, \$6.6 million or 53% comes from taxes, with \$2.8 million coming from sales taxes, \$2.1 million from property taxes and \$0.8 million from the Transient Occupancy Tax (hotel tax). Tax growth has dropped significantly due to the recession. For example, sales tax is projected down \$314 thousand or 10.3% from FY 2003 and the hotel tax is projected down \$92 thousand or 10.2% from FY 2003.

Total revenues for all funds in FY 2005 are estimated at \$39.0 million. Other fund revenues include \$4.8 million in property taxes to support fire protection services, \$1.8 million in revenues supporting street maintenance and improvement activities, and \$4.6 million for sewer/storm drain operations and construction.

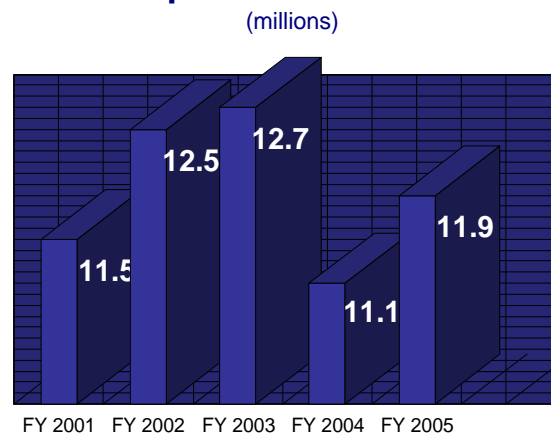
Base Budget - General Fund Balance Trends



Base Budget - General Fund Revenue Trends



Base Budget - General Fund Expenditure Trends



Base Budget Assumptions

Demographics

- Population: .4% increase for Belmont
- Office Vacancy: 1.1% increase for the City
- Inflation: 1% increase for the Region (Long term 4%)
- Job growth: -.2% decrease for the County

Revenues

- Revenues: Moderate growth on reduced base with most key categories
- Property taxes: Up 6.4% for Belmont and 3.0% for the Redevelopment Agency (Long term 5.0%)
- Sales Taxes: Up 3.0% for Belmont (Long term 3.0-5.0%)
- Service Charges: Up 3.3% for Belmont (Long term 2.0-3.5%)
- Interest rates: 1.75% for investments (Long term 2.0%)

Operations and Capital Improvements

- Personnel costs: 0-3.0% cost of living adjustment for Belmont as per MOUs (Long term 2.0-3.5%)
- PERS costs: 6.837% Miscellaneous; 15.345% Safety (Long term 11.1% Miscellaneous; 34.5% Safety)
- Supplies and services costs: 1.0% growth with exceptions for fuels, utilities, insurance, etc. (Long term 3.5%)
- Capital program: \$15.8 million allocated

State Actions

- \$379,000 net takeaway
- \$100,000 in supplemental law enforcement funds anticipated

Message From the City Manager (continued)

• Expenditures

For the Base Budget, General Fund expenditures total \$11.9 million, and increase to \$13.1 million with inclusion of transfers to subsidize other funds. General Fund expenditures include \$7.0 million for police services, \$1.3 million for parks and open space and \$3.6 million for general government operations.

Total expenditures for FY 2005 are projected to be \$54.4 million. In addition to the General Fund, other fund expenditures include \$4.7 million for fire protection services, \$2.1 million for streets, and \$8.1 million for sewer/storm drains operations and capital projects. The Redevelopment Agency Capital Project Fund appropriates \$1.2 million for downtown projects and neighborhood programs.

• Revenues vs. Expenditures

The difference between total revenues and total expenditures largely represents funding for capital projects which has been previously set aside. In looking just at the General Fund, however, the Base Budget shows a net deficiency of \$710 thousand after including the affect of transfers to subsidize other fund activities. The result is a decline of the projected fund balance to approximately \$1.042 million at FY 2005 year-end, well below the City Council's policy minimum of \$2 million.

Further, as shown on the 7-Year Trends & Projections Chart included in this section, a projection of the General Fund Base Budget into future years is even more dire. The fund balance would go negative in FY 2006, when significant cost increases are anticipated, and the negative fund balance simply grows in future years. A city cannot have negative fund balances of that magnitude; thus, a budget correction strategy is needed.

Budget Correction Strategy

Based on projections of changes in costs and revenues in future years, staff projects that a General Fund budget correction of \$1.48 million is needed in FY 2005. Assuming the savings can be maintained in future years, the General Fund balance will remain above the \$2 million policy minimum in all years (although barely so in FY 2006), and will grow to \$3.9 million in FY 2009.

Message From the City Manager (continued)

Staff has developed a budget correction strategy to meet the target explained above. The Strategy follows the long term financial projections and is included in this section of budget binder. The Strategy includes 69 discrete proposals that total to \$1.48 million in adjustments to the General Fund, or the amount necessary to comply with reserve policy.

The Budget Correction Strategy is divided into three sections: Revenues, Service Reductions, and Transfers. Key elements of the Strategy, which are shown in this section on Schedule D, include:

Revenues (\$275 Thousand)

- Code Enforcement fines and penalties
- Refuse Vehicle Impact fee
- Capital project charge-backs

Service Reductions (\$938 Thousand)

- Eliminate weekly packet delivery
- Reduce City newsletter to 1/year
- Reduce Community Group Funding by 5%
- Reduce Council Contingency
- No significant Advanced Planning
- Restructure Cashier position (one position funding elimination)
- Eliminate 3 regular part-time positions (Senior Center) funding
- Eliminate Recreation Superintendent funding
- Eliminate one Community Service Officer funding
- Eliminate funding for part-time EOC Coordinator
- Convert Police Captain (vacant) to Administrative Sergeant (convert existing)
- Eliminate Support Services Manager (Police) funding
- Department Head across-the-board cut (equivalent to 3% salary)

Transfers (\$263 Thousand)

- Library CFD funding for supplies/services
- Eliminate Maintenance Worker I (Streets; vacant)
- Transfer staff time to Development Services, increase fees

In addition to the \$1.48 million in General Fund proposals, the recommended Budget Correction Strategy includes some adjustments to enterprise funds, notably the movement of sewer videoing in-house, a move that will require additional staff but is expected to save \$90 thousand over the current contract costs.

2004 - 2005 Citywide Priorities

The City Council adopted the following ten issues as priorities for their 2004-2005 term:

Police Facility / City Hall. Demolition began November 2003, and construction is expected to last 14 months with the first phase (the addition and south wing) completed by Fall 2004.

Build a New Library. Council has approved a \$10.9 million 20,000 square foot library and park facilities located at the existing library site. Construction is expected to begin in early 2005 with the new library open for business in Spring 2006.

Build a Bike/Pedestrian Bridge over 101. The City is working with a consultant to prepare the final environmental documentation and the plans and specifications. Caltrans has added several requirements, making it difficult to finalize.

Redevelopment Priorities. A five-year spending plan for \$4 million was adopted in 2001. A review of the spending plan was provided in April 2004, and Council is expected to adopt a new plan by June 2004. Planning work for undergrounding of utilities on Old County Road has begun.

Reach Consensus on the Harbor Industrial Area. A Council subcommittee is working with HIA representatives on the key issues. The City desires to resolve issues with the intention of developing a joint application for annexation in the future.

Economic Development. A citizen task force and consultant have reviewed the issue and prepared a strategy. An initial report on potential implementation actions has been provided to Council with final Council action expected in the next few months.

2004 - 2005 Citywide Priorities (Continued)

Emmett House Redevelopment. Relocation, restoration, affordable housing units. The Planning Commission is expected to review plans in June 2004, and the City Council is expected to award a contract in September 2004.

Old City Hall Site. Prepare a land use and design plan for development of affordable housing at the former City Hall site on 5th Street (also used as a temporary Fire Station 14). Council is expected to select a consultant in September 2004 and approve draft development plans in November 2004.

Parking Issues. A number of parking-related items are scheduled for Council review in the near future including residential parking permits, parking on private property, and parking standards related to development.

Improvements to the Development Review Process. The City has implemented nearly all of the recommendations of a December 2001 consultant's report. The "one-stop" Permit Center has been open for two years and will be located on the first floor of the renovated City Hall. Amendments has been made to the review process, and additional administrative and process changes will be examined in the next two years.

Message From the City Manager (continued)

Moreover, staff has identified nearly \$.89 million in alternative correction strategies for the General Fund and a \$.35 million proposal for an enterprise fund, which would indirectly benefit the General Fund, on Schedule E (also included in this section of the budget binder). These alternatives are all revenues, and would require voter or property owner approval at an election. An election outcome is not certain, so these alternatives are not included in the recommended strategy, but could be considered as a way to restore cuts in the future.

Proposed Budget

Staff's recommendation for the FY 2005 Budget is to incorporate the service/expenditure reductions, revenue increases, and transfers included in the Budget Correction Strategy into the Base Budget. The result of this blending of the two plans would improve the General Fund balance to \$2.138 million versus \$1.042 million assuming no corrective at year-end. Further, as shown on the 7 Year Trends & Projections Chart discussed earlier, the fund balance in future years would be above the policy minimum of \$2 million, although barely so in FY 2006.

Uncertainties

As we have seen in recent years, City budgets are dynamic and subject to outside forces. Paramount among these are the local and regional economy and state government finances. The first is subject to regular business cycles, and we are clearly suffering from one of the worst economic periods in generations. The local economy continues to be weak. The budget assumes continued softness with a mild recovery in FY 2005. Should the economy worsen, further corrective actions from those already taken and proposed may be necessary.

The State continues to pose considerable uncertainty for Belmont and other local governments. Over the past twenty years, the State has already taken in excess of \$6 million of revenue from the City. Last year, the General Fund loss was more than \$.6 million. As a result of these actions, local governments have organized an initiative to protect local revenues from raids by the state, which has qualified for the November ballot.

Special Fund Considerations

Similar to the General Fund, the Recreation Fund and Development Services Fund have been adversely impacted by the downturn in the economy and are experiencing structural, recurring deficits. Corrective action has been taken and specific actions are as follows:

- **Recreation Fund**

- The proposed FY 2005 Budget includes measures to close the gap. Those measures include revenue increases and expenditure reductions.

- Actions include capping the the General Fund subsidy for these services and amortizing prior fund deficits over a five year period.

- Target subsidy levels have been established for Recreation Programs and Day Care Service Centers. Fee increases will be implemented based on the High, Medium and Low subsidy policy approved by Council.

- **Development Services Fund**

- The proposed FY 2005 Budget incorporates a number of steps to mitigate the effects of the structural gap for this fund. Those steps include charging City projects planning and permit fees, re-allocating housing element work to the RDA LMI Housing Fund, and assessing engineering fees where appropriate.

- As a result of this corrective action, the structural gap between revenues and expenditures for this operation appears to have been closed. Nonetheless, prudence dictates close monitoring of future interim operating results to ensure the fund remains financially viable.

Message From the City Manager (continued)

The Governor, in his revised budget recently released, has proposed two more years of significant takeaways, to be followed by constitutional protection of local revenues. The loss to Belmont for the next two years would be almost \$.4 million each year. It is unclear at this point how this will play out with the Legislature and the voters, but the Base Budget and the projections have included the Governor's proposed two-year takeaway. The advantage of the Governor's proposed approach is that it would provide an added degree of certainty for the City's financial planning, an element that has been lacking since adoption of Proposition 13.

Addressing these challenges has been a significant focus of management and staff during the current year and continued vigilance will be needed.

Conclusion

While the City is weathering the financial challenges of our time as best we can, efforts must be taken to maintain and strengthen our position for the future. Reserves levels need to be improved and challenges exist with some of the special revenue funds, as discussed in this Budget Brief. Working together, I am confident Council, staff and the community are up to the continuing challenges.

I would like to express my appreciation to all the staff for the hard work and collaboration shown in preparing the Proposed FY2005 Budget and the Budget Correction Strategy. This has been a very challenging task and we are fortunate to have such a dedicated team.



City Manager

Department Initiatives

The administrative departments provide direction and support the entire organization. The **City Manager's Office** will focus on continued implementation of Council's Priority Calendar and other policy direction. The department will also oversee the Police Facility/City Hall project. The special project priorities for the Information Services Division will be to implement document imaging and coordinate the telecommunications aspects of the renovated City Hall building. The **Human Resources Department** will focus on providing support to departments and employees to meet evolving needs, enhancing the employee safety program, and updating the City's Employer-Employee Resolution. The **City Clerk's Office** will focus on training and implementation of document imaging, which will provide for electronic storage and retrieval of public documents. The Clerk's office will also be involved in transitioning to the new Council chambers and will continue to provide day-to-day service delivery to staff, the City Council, and the public. The **Finance Department** initiatives for the year include a comprehensive study and proposal of development impact fees, a special project to consider long-term financial alternatives for South County Fire Protection Authority, comprehensive review of City's reserve positions and policies, continuing implementation of the comprehensive financial information system, and overseeing construction of the new Belmont Library.

The **Community Development Department** will continue to enhance customer service by relocating the Belmont Permit Center to the first floor of the renovated City Hall. With the City's focus turning to economic development, the department will help define, prioritize, and implement a variety of projects to improve the community's and City's fiscal health. Staff will propose various zoning revisions to better protect neighborhoods from inappropriate development and improve the look of downtown. Other high-priority projects include relocation and remodel of the Emmett House, potential annexation of the Harbor Industrial Area, planning for affordable housing at the 1365 Fifth Avenue site, continued refinement of the City's code enforcement policy, and improvements to the development review process.

The **Parks & Recreation Department** will again offer a wide variety of special events and activities for the community. The Belmont Certified Farmers' Market is held every Sunday at the Cal-Train parking lot south of Ralston Avenue. The 21st Annual Twin Pines Art & Wine Festival will be held on September 18th & 19th. The Recreation Division offers programs for all ages and interests, as well as providing facilities for private parties, weddings, banquets, and community meetings. The Parks Division will be overseeing improvements to Patricia Wharton Park and the City's entry on Alameda de las Pulgas on the San Mateo border. The development of the hiking and biking trails in the City's unique urban open space areas will continue with the addition of a new trail sign program.

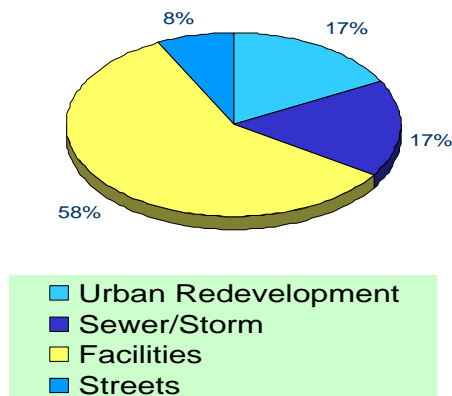
The **Police Department** will focus on five key areas: Traffic-Improve the safe flow of traffic through a combination of traditional enforcement, educational endeavors, and the application of resources found throughout the community to seek lasting solutions to traffic issues; Performance Budgeting-Continue to restructure the Police Department to facilitate the successful implementation of the Service Delivery Initiative; Community/Problem Oriented Policing-Seek to strengthen collaborations with our residents, community groups, and schools that have helped establish and maintain the quality of life our residents enjoy -- striving to obtain long-term solutions to community problems using all available resources will continue to be a major police emphasis; Safety and Emergency Preparedness-Maintain the safety and security of our residents by actively preparing for a possible natural or man-made disaster; and Effectiveness-Operate in a fiscally responsible manner by maximizing grants, pursuing efficiencies, and exploring collaborations with other entities.

The **Public Works Department** will continue to provide a high level of customer service to both the community and other departments in the environmental, fleet maintenance and transportation areas. A more cost effective approach for videoing, maintaining, and undertaking emergency repairs of the sewer system will be proposed. The Pavement Management Plan will be submitted to Council for adoption and implementation. A revised Residential Traffic Calming Program and traffic policies will be submitted to Council for adoption and implementation. Staff will also be undertaking a study of various parking issues. Grants will be pursued to fund additional roadway improvements and for the Pedestrian and Bicycle Bridge.

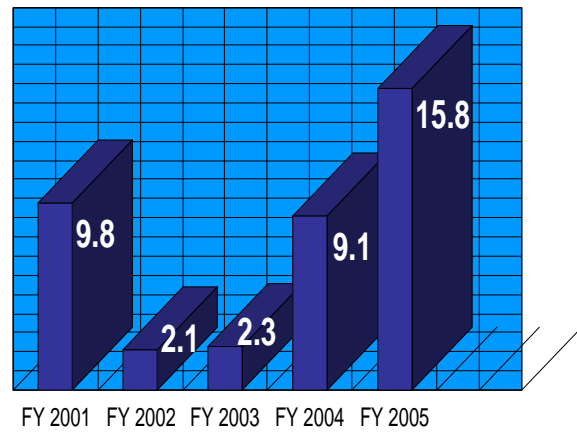
5 Year Capital Improvement Plan and Capital Outlay Trends

The City's 5 year CIP is estimated at \$38 million. Projects proposed in FY 2005 total \$15.8 million.

**Capital Projects
by Function**



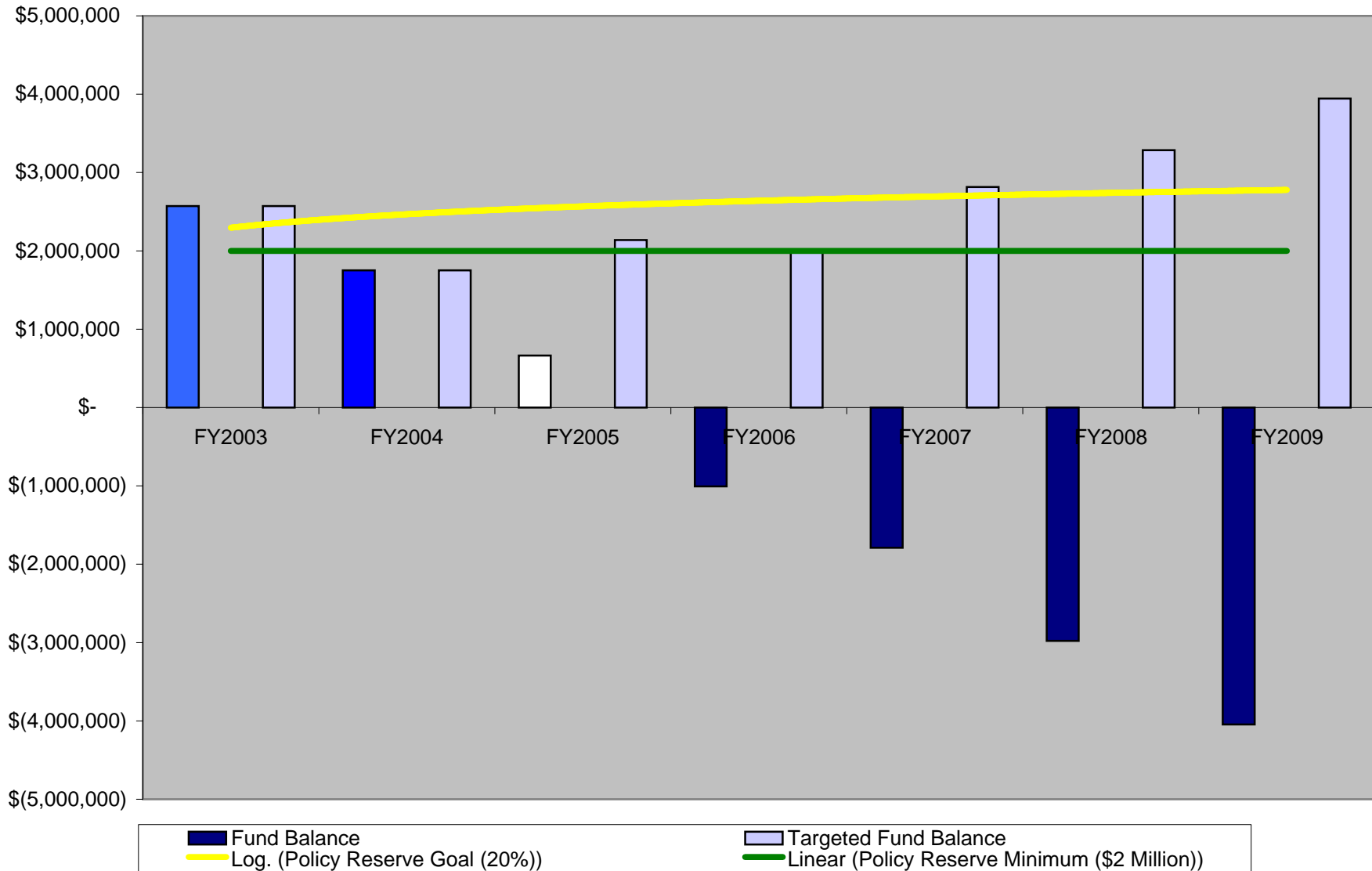
Capital Outlay Trends
(millions)



The coming fiscal year will include a very high rate of capital spending, reflecting the construction of a wide variety of projects for the community. Major projects for the upcoming year are highlighted below; the details of all projects can be found beginning in Tab 9.

- \$1.2 million for Redevelopment Agency projects, such as Land Acquisitions and Utility Undergrounding.
- \$5.1 million for the Police Facility/City Hall project
- \$2.7 million for a variety of sewer and storm drain improvements
- \$1.0 million for a variety of street improvements
- \$3.7 million for the Belmont Library project
- \$1.5 million for Emmett House, Home Buyer and other LMI Projects

General Fund Balance - 7 Yr Trends & Projections



City of Belmont
FY 2005 Budget
General Fund and Subsidized Funds
Seven Year Trends & Projections
FY2003 - FY2009



Fund		Major Sources & Uses	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Number	Description		Audited	Estimated	Proposed	Projected	Projected	Projected	Projected
101 General Fund		Sources							
	Property tax	\$	1,827,809	\$ 1,879,540	\$ 2,076,533	\$ 2,180,360	\$ 2,289,378	\$ 2,403,847	\$ 2,524,039
	Sales tax		3,060,269	2,697,933	2,766,227	2,849,214	2,977,428	3,126,300	3,282,615
	Transient occupancy tax		900,525	737,677	808,494	920,470	957,289	995,581	1,035,404
	Other taxes		1,063,862	972,570	998,382	1,098,220	1,153,131	1,210,788	1,271,327
	License & permits		657,491	540,506	584,739	596,434	617,309	638,915	661,277
	Use of money & property		584,057	260,292	278,582	356,019	409,422	470,836	541,461
	Intergovernmental		1,860,180	1,323,514	1,981,774	1,991,683	2,001,641	2,011,649	2,021,708
	Service charges		3,327,008	2,269,637	2,343,454	2,390,323	2,473,984	2,560,574	2,650,194
	Miscellaneous & other		21,251	909,333	524,356	550,574	578,102	607,008	637,358
	Non-subsidized transfers		283,074	99,025	-	-	-	-	-
	<i>Subtotal</i>		13,585,526	11,690,027	12,362,541	12,933,297	13,457,686	14,025,496	14,625,382
	Uses								
	General government		3,940,996	3,383,464	3,595,139	3,771,554	3,833,647	3,907,917	3,979,553
	Public safety		6,398,757	6,404,766	6,971,442	7,903,298	8,276,504	8,657,326	9,014,811
	Highways & streets		-	-	-	-	-	-	-
	Culture & recreation		2,293,067	1,246,160	1,316,537	1,357,630	1,407,755	1,462,738	1,517,326
	Miscellaneous & other		59,979	34,138	36,536	37,267	38,385	39,536	40,722
	Non-subsidized transfers		(85,428)	91,553	18,254	-	-	-	-
	<i>Subtotal</i>		12,607,371	11,160,081	11,937,908	13,069,749	13,556,291	14,067,518	14,552,412
	<i>Gross Available</i>		978,155	529,946	424,633	(136,452)	(98,605)	(42,022)	72,970
205 Recreation		Sources							
	Service charges		687,637	806,433	925,265	1,017,792	1,068,681	1,122,115	1,178,221
	Miscellaneous & other		26,553	68,541	83,370	87,539	91,915	96,511	101,337
	Other financing sources		-	200,000	-	-	-	-	-
	<i>Subtotal</i>		714,190	1,074,974	1,008,635	1,105,330	1,160,597	1,218,626	1,279,558
	Uses								
	Recreation		1,001,801	1,495,502	1,597,464	1,673,498	1,736,527	1,805,106	1,872,918

City of Belmont
FY 2005 Budget
General Fund and Subsidized Funds
Seven Year Trends & Projections
FY2003 - FY2009



Fund		Major Sources & Uses	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Number	Description		Audited	Estimated	Proposed	Projected	Projected	Projected	Projected
	<i>Subtotal</i>		1,001,801	1,495,502	1,597,464	1,673,498	1,736,527	1,805,106	1,872,918
	<i>Net difference</i>		(287,611)	(420,528)	(588,829)	(568,168)	(575,931)	(586,480)	(593,360)
	<i>Fund Balance Availability</i>		(64,937)	(104,920)	32,490	-	-	-	-
	<i>Subsidy Requirement</i>		352,548	525,448	556,339	568,168	575,931	586,480	593,360
231 Street Maintenance									
	Sources								
	<i>Gas tax</i>		703,228	709,950	727,467	738,379	749,455	760,697	772,107
	<i>Intergovernmental</i>		-	-	-	-	-	-	-
	<i>Miscellaneous & other</i>		3,349	17,773	7,737	8,124	8,530	8,957	9,404
	<i>Subtotal</i>		706,577	727,723	735,204	746,503	757,985	769,653	781,511
	Uses								
	<i>Highways & streets</i>		1,248,631	1,252,752	1,049,708	1,082,052	1,121,735	1,165,385	1,208,779
	<i>Capital outlay</i>		-	-	-	-	-	-	-
	<i>Non-subsidized transfers</i>		-	-	-	-	-	-	-
	<i>Subtotal</i>		1,248,631	1,252,752	1,049,708	1,082,052	1,121,735	1,165,385	1,208,779
	<i>Net difference</i>		(542,054)	(525,029)	(314,504)	(335,549)	(363,751)	(395,732)	(427,267)
	<i>Fund Balance Availability</i>		2,506	-	-	-	-	-	-
	<i>Subsidy Requirement</i>		539,548	525,029	314,504	335,549	363,751	395,732	427,267
General Obligation Debt									
401 Service									
	Sources								
	<i>Property taxes</i>		-	-	-	-	-	-	-
	<i>Miscellaneous & other</i>		176	-	-	-	-	-	-
	<i>Non-subsidized transfers</i>		-	-	-	-	-	-	-
	<i>Subtotal</i>		176	-	-	-	-	-	-
	Uses								
	<i>Debt service</i>		204,593	102,516	66,243	69,555	73,033	38,265	-
	<i>Transfers</i>		13,343	-	-	-	-	-	-

City of Belmont
FY 2005 Budget
General Fund and Subsidized Funds
Seven Year Trends & Projections
FY2003 - FY2009



Fund		Major	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Number	Description	Sources & Uses	Audited	Estimated	Proposed	Projected	Projected	Projected	Projected
		<i>Subtotal</i>	217,936	102,516	66,243	69,555	73,033	38,265	-
		<i>Net difference</i>	(217,760)	(102,516)	(66,243)	(69,555)	(73,033)	(38,265)	-
		<i>Fund Balance Availability</i>	13,343	177	-	-	-	-	-
		<i>Subsidy Requirement</i>	204,417	102,339	66,243	69,555	73,033	38,265	-
625	Facilities Management	Sources							
		<i>Service charges</i>	458,880	513,104	504,525	554,978	582,726	611,863	642,456
		<i>Use of money & property</i>	23,619	286,240	280,711	294,747	309,484	324,958	341,206
		<i>Other financing sources</i>	-	-	112,000	117,600	123,480	129,654	136,137
		<i>Subtotal</i>	482,499	799,344	897,236	967,324	1,015,690	1,066,475	1,119,799
		Uses							
		<i>General government</i>	626,187	1,029,085	1,094,344	1,146,431	1,189,609	1,236,589	1,283,044
		<i>Subtotal</i>	626,187	1,029,085	1,094,344	1,146,431	1,189,609	1,236,589	1,283,044
		<i>Net difference</i>	(143,688)	(229,741)	(197,108)	(179,107)	(173,919)	(170,114)	(163,245)
		<i>Fund Balance Availability</i>	21,936	32,152	-	-	-	-	-
		<i>Subsidy Requirement</i>	121,752	197,589	197,108	179,107	173,919	170,114	163,245
General Fund Balance									
		Net Available	(240,110)	(820,459)	(709,561)	(1,288,831)	(1,285,238)	(1,232,612)	(1,110,903)
		FY 2005 Proposed State Impacts	-	-	(379,130)	(380,508)	502,439	42,921	44,423
		Beginning Fund Balance	2,812,295	2,572,185	1,751,726	663,035	(1,006,304)	(1,789,103)	(2,978,795)
		Projected Ending Fund Balance	\$ 2,572,185	\$ 1,751,726	\$ 663,035	\$ (1,006,304)	\$ (1,789,103)	\$ (2,978,795)	\$ (4,045,275)
		Reserve Requirement	\$ 2,538,560	\$ 2,213,706	\$ 2,383,931	\$ 2,613,950	\$ 2,711,258	\$ 2,813,504	\$ 2,910,482
		Target Correction	N/A	N/A	\$ 1,475,000	\$ 1,534,000	\$ 1,595,360	\$ 1,659,174	\$ 1,725,541
		Targeted Ending Fund Balance	\$ 2,572,185	\$ 1,751,726	\$ 2,138,035	\$ 2,002,696	\$ 2,815,257	\$ 3,284,740	\$ 3,943,801

#N/A

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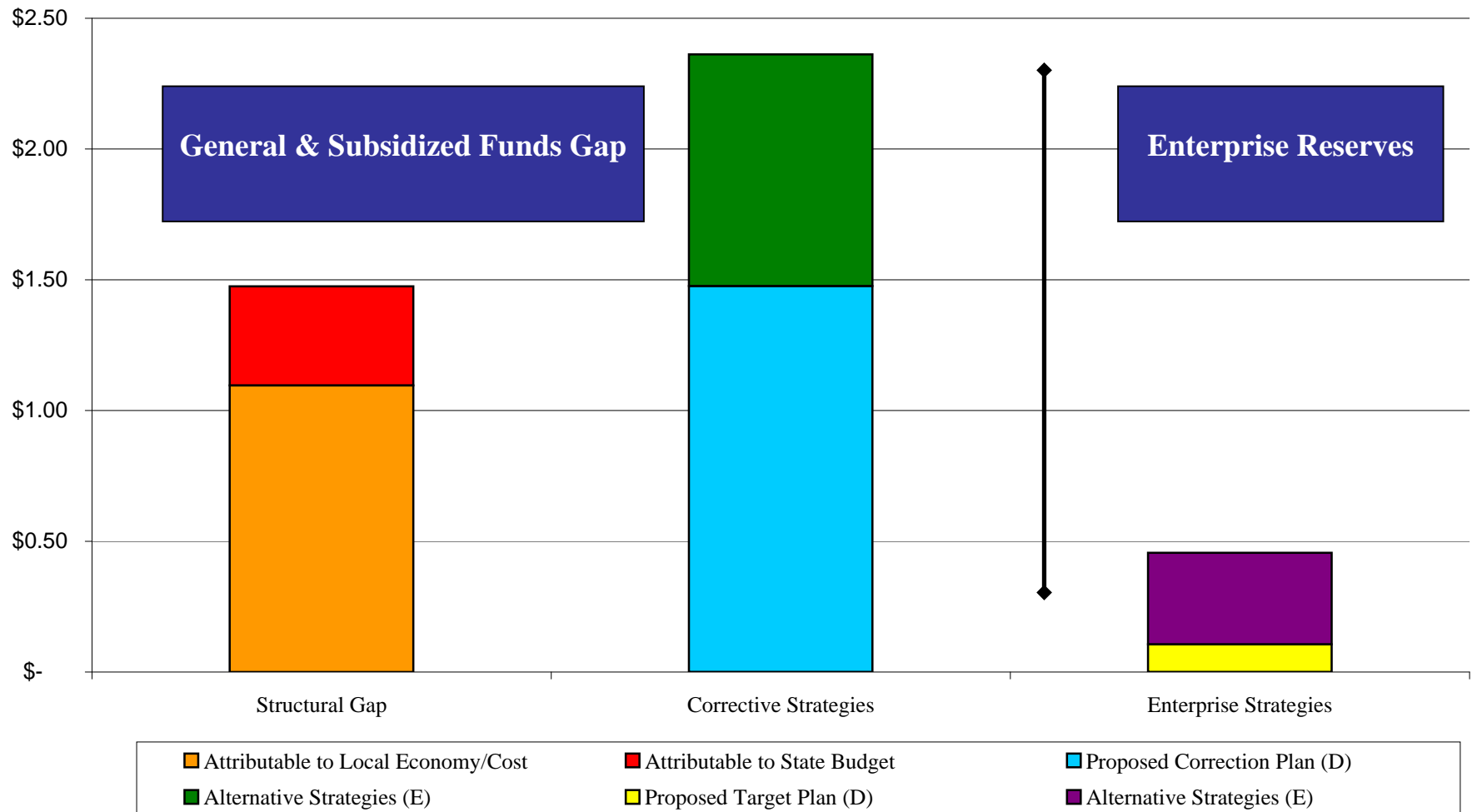
City of Belmont

FY 2005 Budget

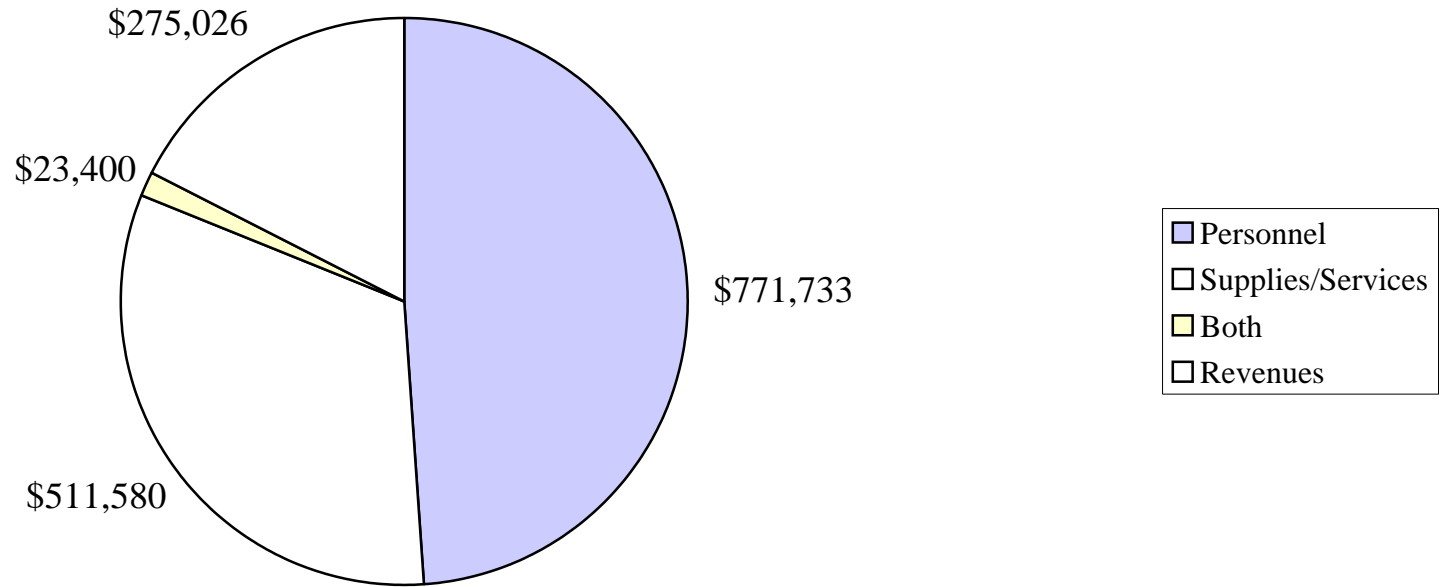
Budget Correction Plan Summary

	Strategy	Schedule Reference	Amount (Millions)
For Budget Gap	<i>General Fund Structural Gap</i>		
	Attributable to Local Economy/Cost		\$ 1.10
	Attributable to State Budget		\$ 0.38
			<hr/>
	General Fund Structural Gap		\$ 1.48
	<i>General Fund & Subsidized Fund Strategies</i>		
For Reserves	Proposed Correction Plan	D	\$ 1.48
	Alternative Strategies	E	\$ 0.89
			<hr/>
	General Fund & Subsidized Fund Strategies		\$ 2.36
	<hr/>		
For Reserves	<i>Enterprise Fund Strategies</i>		
	Proposed Target Plan	D	\$ 0.11
	Alternative Strategies	E	\$ 0.35
			<hr/>
	Enterprise Fund Strategies		\$ 0.46

**City of Belmont
FY 2005 Budget
Corrective Action Plan Summary
(In Millions)**



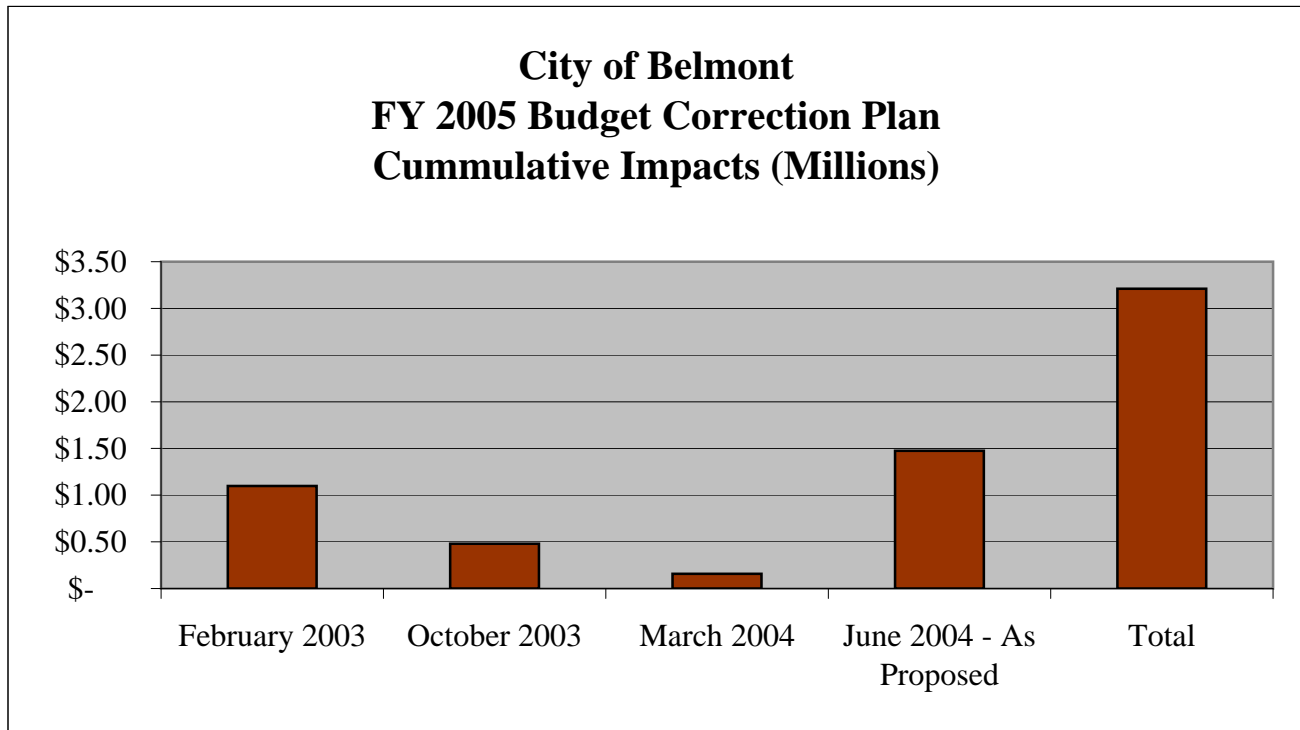
**City of Belmont
FY 2005 Budget Correction Plan
General Fund & Subsidized Fund Strategies
By Category**



City of Belmont

FY 2005 Budget

Cummulative Budget Impacts



Date	Amount (Millions)				Total *
	Reductions/Transfers		Revenues		
February 2003	\$ 0.69	\$	0.41	\$	1.10
October 2003	0.48		-	\$	0.48
March 2004	0.16		-	\$	0.16
June 2004 - As Proposed	1.20		0.28	\$	1.48
Total	\$ 2.5	\$	0.7	\$	3.2

* Includes actions taken from CY 2003 on.

City of Belmont

FY 2005

Budget Correction Strategies

Schedule D

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
<i>Proposed Correction Strategies</i>					
<i>Revenues</i>					
D1	<i>Establish Code Enforcement Fines & Penalties</i>	Comm. Dev.	210	9999	\$ 25,000.00
D2	<i>Increase Fees for Senior Lunch Program (\$2 to \$3) & Reduce General Fund Subsidy</i>	Parks & Rec.	205	9999	\$ 6,000.00
D3	<i>Increase Fees for Special Events - Art & Wine/Miscellaneous & Reduce General Fund Subsidy</i>	Parks & Rec.	205	9999	\$ 9,000.00
D4	<i>Implement Residential Refuse Vehicle Impact Fee</i>	Public Works	231	9999	\$ 100,000.00
D5	<i>Implement Capital Improvement Program (CIP) Charge Back for City Provided Project Management</i>	Public Works	231	9999	\$ 135,026.00
<i>Subtotal</i>					\$ 275,026.00
<i>Service Reductions</i>					
D6	<i>Convert to Web Based Municipal Code - No Hard Copy</i>	City Clerk	101	1101	\$ 8,045.00
D7	<i>Convert to Web Based California Annotated Code - No Hard Copy</i>	City Clerk	101	1101	\$ 1,200.00
D8	<i>Reduce Travel and Training</i>	City Clerk	101	1101	\$ 1,000.00
D9	<i>Reduce Municipal Code to Once/Year</i>	City Clerk	101	1101	\$ 1,200.00
D10	<i>Eliminate Weekly Mail Packet Delivery</i>	City Clerk	101	1101	\$ 2,000.00
D11	<i>Reduce Legal and Display Advertising</i>	City Clerk	101	1101	\$ 4,000.00
D12	<i>Reduce Regular Salaries (5% reduction for Assistant CM)</i>	City Manager	101	1301	\$ 7,317.00
D13	<i>Reduce Temporary Part Time</i>	City Manager	101	1301	\$ 2,000.00
D14	<i>Reduce Other Professional/Technical (SDI Initiatives, Opinion Surveys, Etc.)</i>	City Manager	101	1301	\$ 25,000.00
D15	<i>Reduce Advertising</i>	City Manager	101	1301	\$ 1,000.00
D16	<i>Reduce Travel/Training</i>	City Manager	101	1301	\$ 1,500.00
D17	<i>Reduce Miscellaneous (funding for All Hands Meetings, NDNU Working Group)</i>	City Manager	101	1301	\$ 1,500.00
D18	<i>Eliminate Information Services Special Project Funding</i>	City Manager	620	1401	\$ 20,000.00

City of Belmont

FY 2005

Budget Correction Strategies

Schedule D

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
D19	<i>Eliminate Additional Phone Changes in Information Services</i>	City Manager	620	1401	\$ 1,000.00
D20	<i>Reduce Information Services Travel and Training</i>	City Manager	620	1401	\$ 5,000.00
D21	<i>Reduce Information Services General Supplies</i>	City Manager	620	1401	\$ 1,800.00
D22	<i>Reduce Network, Miscellaneous Hardware and Software Assistance</i>	City Manager	620	1401	\$ 4,000.00
D23	<i>Small Tools/Safety Equipment (No Inventory of New Backup Tapes for Servers)</i>	City Manager	620	1401	\$ 1,000.00
D24	<i>Reduce City Newsletter to Once/Year</i>	City Manager	101	4100	\$ 8,000.00
D25	<i>Reduce Council Special Project Consultant Funding</i>	City Manager	101	4100	\$ 4,000.00
D26	<i>Reduce Community Group Funding 5%</i>	City Manager	101	4100	\$ 3,400.00
D27	<i>Reduce Funding for City Council Dinners & Miscellaneous Expenses</i>	City Manager	101	4100	\$ 2,000.00
D28	<i>Reduce Council General Supplies</i>	City Manager	101	4100	\$ 1,000.00
D29	<i>Reduce Council Contingency</i>	City Manager	101	4105	\$ 25,000.00
D30	<i>Reduce Legal Additional</i>	City Manager	101	4153	\$ 10,000.00
D31	<i>Eliminate Undertaking Significant Advance Planning Initiatives</i>	Comm. Dev.	101	6201	\$ 66,270.00
	<i>Reorganize Permit Center - Reduce Funding for .5 FTE Office Assistant I/II Position</i>				
	<i>(Multiple Impacts - Including Reassigning Cashiering & General Information to</i>				
D32	<i>Finance)</i>	Comm. Dev.	210	6302,6303,6304	\$ 34,188.00
D33	<i>Reduce Use of Other Consultants for Planning Application & Specialized Review</i>	Comm. Dev.	210	6302	\$ 20,220.00
	<i>Limit Use of Consultant for Outside Plan Check & Permits to Complex Projects Only</i>				
D34	<i>& Reduce Related Administrative Activities</i>	Comm. Dev.	210	6303	\$ 18,000.00
	<i>Reduce Equipment & Supplies Used for Inspections & Compliance - Rely on Grant</i>				
D35	<i>Funded Acquisitions</i>	Comm. Dev.	210	6304	\$ 4,700.00
	<i>Reorganize Finance Department - Reduce Funding for .5 FTE Accounting</i>				
D36	<i>Technician I/II Position (Multiple Impacts)</i>	Finance	101	1501	\$ 37,000.00
	<i>Eliminate Water & Beverage Service, Consolidate Copier Paper Order & Convert to</i>				
D37	<i>Monochromatic Letterhead</i>	Finance	101	4990	\$ 5,325.00
D38	<i>Reduce Advertising</i>	Human Res.	101	1601	\$ 10,000.00
D39	<i>Reduce Books, Manuals, Subscriptions</i>	Human Res.	101	1601	\$ 500.00
D40	<i>Reduce City-Wide Training</i>	Human Res.	101	1601	\$ 10,000.00
D41	<i>Reduce Membership/Dues</i>	Human Res.	101	1601	\$ 500.00
D42	<i>Reduce Employee Recognition</i>	Human Res.	101	1601	\$ 1,000.00

City of Belmont

FY 2005

Budget Correction Strategies

Schedule D

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
	<i>Reduce Outside Safety Consultants (Delay Implementation of Certain Safety Programs) and Other Professional/Technical</i>	Human Res.	101	1601	\$ 12,000.00
D43	<i>Reduce Travel/Training</i>	Human Res.	101	1601	\$ 1,000.00
D44	<i>Reduce Park Repair & Maintenance Services</i>	Parks & Rec.	101	5101	\$ 10,000.00
D45	<i>Eliminate Plant-A-Tree Program</i>	Parks & Rec.	101	5101	\$ 2,000.00
D46	<i>Reduce Parks and Right of Way Supplies & Implement Conservation Program for Park & Landscape Irrigation</i>	Parks & Rec.	101	5101	\$ 8,000.00
D47	<i>Reduce Routine Contract Tree Maintenance- Focus on Hazards Only</i>	Parks & Rec.	101	5101	\$ 20,000.00
D48	<i>Reduce Contract Athletic Field Maintenance</i>	Parks & Rec.	101	5101	\$ 6,100.00
D49	<i>Reduce Outreach by Eliminating Senior Marketing/Volunteer Coordinator</i>	Parks & Rec.	205	5301	\$ 19,900.00
D50	<i>Eliminate Information and Referral Service Provided by Senior Resource Specialist</i>	Parks & Rec.	205	5301	\$ 8,900.00
D51	<i>Eliminate Senior Transportation Program</i>	Parks & Rec.	205	5301	\$ 23,400.00
D52	<i>Reduce Part-Time Staff - Senior Recreation Coordinator (Day Camp) & Life Guard I (Aquatics) - No Safety Impact</i>	Parks & Rec.	205	5301	\$ 6,460.00
D53	<i>Reduce Teen Services Drop In Program to 3 Hours/Week (VOICES, Special Events & Resource Center Retained)</i>	Parks & Rec.	205	5301	\$ 18,000.00
D54	<i>Reduce Cost Associated with Printing Activity Guide</i>	Parks & Rec.	205	5301	\$ 2,000.00
D55	<i>Reorganize Recreation Services by Eliminating Recreation Superintendent (Multiple Impacts - Including Conversion of Arts Commission to Arts Alliance)</i>	Parks & Rec.	205	5301,5302, 5303, 5304	\$ 102,329.00
D56	<i>Defer Table & Chair Replacements</i>	Parks & Rec.	205	5304	\$ 4,500.00
D57	<i>Reduce Funding for Professional Services/Background Investigations</i>	Police	101	2101	\$ 5,000.00
D58	<i>Reduce Funding for One CSO Position - Authorized Strength from 4 to 3 (Multiple Impacts)</i>	Police	101	2102	\$ 57,400.00
D59	<i>Reduce Funding for Emergency Operation Center Coordinator- Reassign to Administrative Sergeant</i>	Police	101	2103	\$ 32,645.00
D60	<i>Reorganize Police Support Services By Eliminating Funding for Support Services Captain & Reinstating Administrative Sergeant (Multiple Impacts)</i>	Police	101	2104	\$ 138,284.00
D61	<i>Eliminate Funding for Support Services Manager (Multiple Impacts)</i>	Police	101	2104	\$ 81,403.00
D62	<i>Reduce Fleet (\$9, \$19 & \$23)</i>	Public Works	231	3301	\$ 2,598.00
D63	<i>Department Head Across the Board Cut Equivalent to 3% Salary Reduction</i>	All	101	Various	\$ 26,643.00
D64					

City of Belmont

FY 2005

Budget Correction Strategies

Schedule D

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
Subtotal					\$ 938,227.00
Transfers					
D65	<i>Transfer Supplies & Service for Library and Belameda Park to Library CFD Maintenance Fund & Eliminate Maintenance on Old Police Station</i>	Parks & Rec.	625	1701	\$ 55,000.00
D66	<i>Charge Sewer Operations for After Hours & Weekend Dispatch Services Provided by PD</i>	Police	101	2104	\$ 10,000.00
D67	<i>Eliminate Funding for Maintenance I Position (Vacant) & Reduce General Fund Subsidy</i>	Public Works	231	3301, 3302	\$ 64,209.00
D68	<i>Transfer .5 FTE from Project Management to Development Services & Increase Cost Recovery Through Fees</i>	Public Works	231	3304	\$ 93,392.00
D69	<i>Transfer .3 FTE from Transportation Programs to Development Services & Increase Cost Recovery Through Fees</i>	Public Works	231	3303	\$ 40,130.00
Subtotal					\$ 262,731.00
Total					\$ 1,475,984.00

City of Belmont

FY 2005

Budget Correction Strategies

Schedule D

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
<i>Proposed Correction Strategies - Enterprises</i>					
<i>Service Reductions</i>					
D70	<i>Perform Sewer Lines Videoing In House - Eliminate Professional Services Contract</i>	Public Works	501	3102	\$ 89,800.00
D71	<i>Reduce Fleet (S9, S19 & S23)</i>	Public Works	501	3102	\$ 3,211.00
D72	<i>Reduce Fleet (S9, S19 & S23)</i>	Public Works	525	3103	\$ 3,211.00
D73	<i>Department Head Across the Board Cut Equivalent to 3% Salary Reduction</i>	Various	All	Various	\$ 9,533.00
<i>Total</i>					\$ 105,755.00

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City of Belmont FY 2005 Budget Correction Strategies Schedule E

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
Proposed Correction Strategies					
Revenues					
E1	<i>Implement 3% Utility Users Tax on Gas, Electricity, Water, Phone, Cable & Sewer Services (Requires Majority Vote @ Regular Election)</i>	Finance	101	9999	\$ 495,000.00
E2	<i>Landscape & Lighting District Act of 1972 Election to Implement Benefit Assessment for Maintenance and Operation of 20% of Parks and Rights of Way Other Than NPDES (One Time Cost for Election \$30,000 - Revenue Flow Beginning in FY 2006)</i>	Parks & Rec.	101	9999	\$ 270,000.00
E3	<i>Landscape & Lighting District Act of 1972 or Street Lighting Act of 1931 Election to Implement Benefit Assessment for Maintenance and Operation of 50% of Street Lights and Traffic Signals (One Time Cost for Election \$30,000 - Revenue Flow Beginning in FY 2006)</i>	Public Works	231	9999	\$ 121,000.00
Total					\$ 886,000.00

City of Belmont

FY 2005

Budget Correction Strategies

Schedule E

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
<i>Proposed Correction Strategies - Enterprises</i>					
<i>Revenues</i>					
E4	<i>Proposition 218 Election to Raise NPDES Fees for Additional Services (One Time Cost for Election \$15,000 - Revenue Flow Beginning in FY 2006)</i>	Public Works	525	9999	\$ 350,000.00
<i>Total</i>					\$ 350,000.00

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